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JULY 1988

OREGON LABOR TRENDS

JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

June	1988	6.3
May	1988	6.2
June	1987	6.0

U.S. (Seas. Adj.)

June	1988	5.3
May	1988	5.6
June	1987	6.1

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

June	1988	120.7
May	1988	120.6
Apr.	1988	120.6
Mar.	1988	120.8
Feb.	1988	120.1

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

May	1988	$10.74
Apr.	1988	$10.75
May	1987	$10.61

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

May	1988	38.5
Apr.	1988	40.0
May	1987	40.2

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1987	111.9
Yearly change	3.3%
Annual Average 1987	110.9
Yearly change	2.5%

U.S.

June 1988	118.0
Yearly change	4.0%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

LET THE GOOD TIMES ROLL!

Jeff Hannum

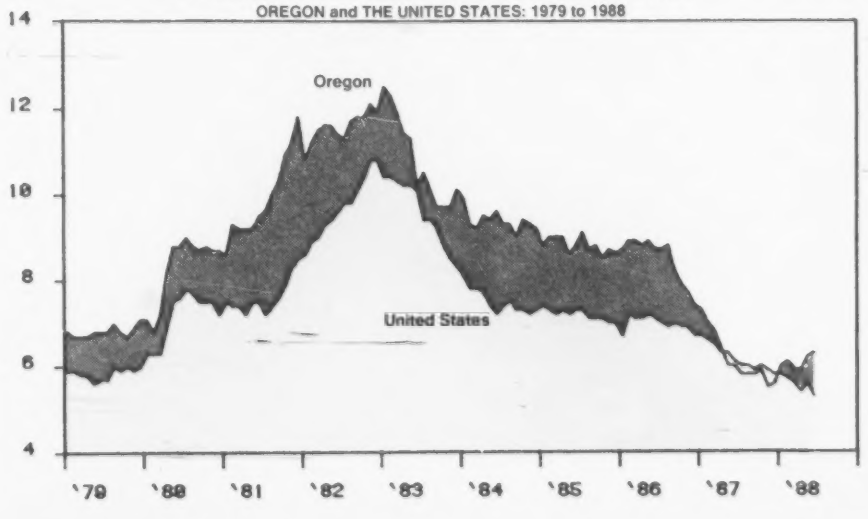
Considering the record length of this business expansion (67 months), the historic stock market crash last fall, and the performance of recent indicators, the current economic expansion looks like a geriatric miracle! How much longer will it last? The answer, of course, is that no one really knows. The next recession could be right around the corner (i.e. 1989) or two to three years off depending on how fast various pressures and imbalances build in the economy, and what kinds of fiscal and monetary policies are pursued by the government, especially the Federal Reserve Board.

One of the keys to the longevity of this expansion will be the rate of inflation in various sectors of the economy. In early 1988, the Federal Reserve was primarily concerned with preventing a recession following the record drop in the stock market last fall. Consequently, it allowed interest rates to fall from late October through March. Since then, however, the Fed has become increasingly concerned about inflation and the fast track of the economy and has begun to shift its emphasis once again to heading off a new wage-price spiral. As a result, interest rates have been moving higher in recent months. The prime interest rate, for example, which is a key benchmark that banks use in setting interest rates on a variety of consumer and business loans, jumped by half a percentage point last May to 9%. In mid-July, it rose again to 9 1/2%, the highest rate in over two years. Many economists expect at least one more increase before the end of the year, and further tightening in early 1989.

Consumer price inflation (U.S. CPI-U) has been running about 4% above a year ago during the first half of 1988 due partly to lower energy prices and only moderate wage gains. However, its trend over the next six months to a year is definitely upward because of delayed impacts from the cheaper dollar, a severe drought in the Midwest, capacity constraints in a number of export-related industries, and prospects of growing labor shortages for both experienced and even entry-level workers.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

One recent sign of the Nation's tightening labor market was the three tenths of a point drop in unemployment to 5.3% in June, the lowest jobless rate in 14 years! The rate one year ago was 6.1%. Furthermore, "job losers" comprised only 2.5% of the labor force, and the long-term unemployed (i.e. 15 weeks or longer) fell to only 1.2% in June. At the same time, the number of people with jobs rose sharply with a variety of industries reporting employment gains.

Recent labor force statistics for Oregon haven't been quite as strong, but this is probably due more to our exceptional performance during a very mild winter, coupled with layoffs in the electronics industry beginning last spring and an outbreak of labor disputes recently in several industries, especially lumber and wood products. Oregon's less favorable recent trends when compared with the Nation are apparent if you look at the unemployment rate and nonfarm employment index graphs. The State's jobless rate hit 5.5% last November, the lowest rate in 14 years, but has been creeping upward since then. June's one tenth of a point increase to 6.3% followed a larger three tenths point gain in May. The U.S. rate, in contrast, is still headed lower.

Despite the pause in real growth in recent months, total employment and nonfarm payroll employment reached record levels in June.

Another indicator of Oregon's economy, the seasonally adjusted nonfarm employment index, has performed a little better. Although it soared during the winter months, this high-flying index has stalled since March. In other words, job growth has barely kept up with normal seasonal trends. Despite this pause in real growth, however, both total employment and nonfarm payroll employment reached record levels in June.

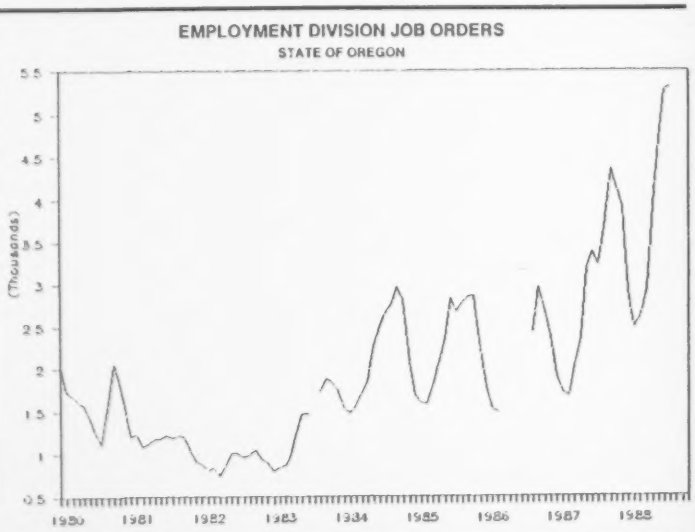
Widespread labor disputes in the wood products industry were a key feature in June, and affected the labor force statistics and overall economy in different ways. In terms of the statistics, workers involved in a strike are still counted as "employed and working" if they work at least one hour during the mid-month survey week. Otherwise, striking employees are considered "employed, but not at work". This means they appear in the "total resident employment" and "labor-management disputes" categories, but not in the "wage and salary industry employment" series which is derived from employers' payroll records. (If there had been no labor disputes in June, the nonfarm wage and salary employment index would have risen by about three-tenths of a point instead of the published one-tenth.)

Note that strikers are also not counted as "unemployed" because they have a job but are temporarily absent. Workers locked out are treated in the same way as workers who walk off their jobs, i.e. involved in a "labor-management dispute."

Regardless of how the wood products workers show up in the labor force statistics, they are having a significant impact on the State and their local economies. Labor disputes involved 2,400 employees in mid-June. By mid-July, this number had doubled. The vast majority of these workers were from the wood products industry. For every lumber worker on strike, the average weekly income loss is about $343. This is based on average weekly earnings of $443 minus about $100 of union strike benefits (not unemployment insurance). The income loss, therefore, during just the mid-June survey week was almost $800,000. By the following week, with more than 3,500 on strike, the loss would have risen to $1.2 million. Add to this the paperworkers (Smurfit Newsprint Corp.) and the nurses (Kaiser Permanente), and the total weekly income loss would be around $1.5 million. This includes only the direct impact of the labor disputes due to lost wages. If we were to add the indirect or secondary income losses in other sectors of the economy due to less spending by workers and companies involved in the disputes, the total impact would be even higher.

How long the labor-management disputes in the wood products industry will last is anybody's guess. In light of record industry profits in 1987-88, wood products workers are seeking to restore large wage and benefit concessions they made in 1985-86 when the industry was still struggling with high costs and intense competition from other producing regions, primarily Canada and the South. Also, lumber and plywood markets were not as strong then. While labor views these concessions as temporarily necessary to save jobs until the industry could become healthy again, the companies want to maintain their competitiveness and keep a lid on rising costs for labor, capital and raw materials.

Stumpage costs have already risen significantly in the past year due to



strong domestic and foreign demand for logs. The problem of rising stumpage values and potential timber shortages beyond 1988 may become much more serious depending on the outcome of new federal forest management plans now being decided which will cover the next 10-15 years. Companies with relatively low labor and other costs will be in a better position to bid successfully on available timber supplies.

Management is also probably concerned that we may currently be at the cyclical peak of the timber industry's business cycle. The pace of construction activity, especially homebuilding, is very sensitive to interest rates. Since the overall rate of inflation and cost of money are headed higher over the next year, the housing industry is already slowing. Wharton Econometric Forecasting Associates' latest outlook calls for U.S. housing starts to fall by at least 10% this year to 1.46 million units, then slide another 6% in 1989 to only 1.37 million. Although other wood product markets may help to offset the expected slowdown in residential construction, the industry, overall, is facing a more difficult economic period in the next couple of years.

Another factor that may influence the duration of the current woodworker strikes is that union members now account for a much smaller proportion of total employment in the industry. A recent **Random Lengths** newsletter reported: "Woodworkers' unions in the Western U.S. have lost more than half of their members since 1980. And, the unions' share of total employment in the region has fallen. About 40% of the wood products workers in the Western U.S. were members of the two major woodworkers' unions in 1980. The figure is now around 20%. Widespread mill closures early in the decade caused most of the drop. Many plants have since reopened as nonunion operations."

If the strikes had not occurred, the lumber and wood products industry would have added over 2,000 jobs in June, about as expected for this time of year. In fact, it would have been the best June for lumber and wood products jobs since 1979. Instead, employment fell by 200 over the month and by 1,600 since one year ago.

Other durable goods industries also failed to achieve their normal June gains, as seasonally adjusted employment fell by 900. The main reason for this weak performance was a 1,300 job loss in the volatile ship building and repair segment of the transportation equipment industry. Continued layoffs in portions of the electronics industry, however, may prove to be more long-term than those in ship repair. Instruments and related products lost another 100 jobs, and the electronic computing and calculating equipment segment of the machinery industry dropped by 200 in June. This decline brought employment in the electronic computing industry down to 3,000, its lowest level in over nine years! In just the past year, this industry has reduced its workforce by 1,100. Further layoffs in these two high tech categories cannot be ruled out.

The diversity of Oregon's electronics sector, however, helped to offset these latest declines as electrical equipment and supplies boosted employment by 300 in June. More increases are expected later this year due to expansion projects and new plants currently under construction.

The outlook for housing over the next year is less rosy due to rising mortgage interest rates.

Despite weakness in a few industries in June, all durable goods categories except lumber and wood and instruments and related products had higher employment than a year ago. And this would include wood products if there had been no strikes in June. Many of these industries continue to benefit from a surge in export sales and strong domestic demand for manufacturing equipment and other capital goods.

Nondurable goods industries, as a whole, fared well in June led by the booming paper and allied products industry (up 700 due mostly to returning strikers) and further expansion in plastic products. The paper industry is running flat out and has projects underway that will increase production capacity and employment eventually. Although printing and publishing was stable in June this industry has added more jobs over the past year (1,000) than any other manufacturing industry except electrical equipment and supplies (1,500).

Food processing firms added more workers (3,100) over the month than any other manufacturing industry, but this gain was 500 less than seasonally expected, probably reflecting a slow start in the strawberry harvest due to cool, wet weather in May. Last year, the berry harvest started a few weeks early due to good weather. This, plus the new Immigration Reform Act, created a severe shortage of strawberry pickers. This year, however, migrant farm workers arrived early and in droves. But strawberry prices and farm worker wages were much lower due to large inventories carried over from 1987 and a second straight year of heavy production.

Another goods-producing industry, construction, appears to be slowing after setting a torrid pace in the first four months of the year. But it was still the best June in years for many parts of the industry, including nonresidential contractors; plumbing, heating and air conditioning; electrical work; and masonry, stonework and plastering. Nonresidential building contractors' employment was at the highest level since 1980. Although Oregon building permits for new homes in the first half of 1988 were over 5% above the same period a year ago (single family permits were up 12% but multi-family were down 7%), the outlook for housing over the next year is less rosy due to rising mortgage interest rates. Nonresidential construction will probably continue to do well due to the high volume of commercial, industrial, and public projects in the pipeline and the longer time periods needed to complete them.

The service-producing industries continued to shine in June, adding 9,700 new jobs. This was over 4,000 more than seasonally expected. Two industries, in particular, reported strong growth. Employment in services tallied the best month in years. Business, data processing, health and temporary help services were some of the leaders. Professional and scientific services also jumped due to strong demand for engineering and design work.

Wholesale and retail trade also had a banner month adding 5,000 jobs, or 900 more than expected in June. New variety stores and food stores plus strong seasonal hiring in other trade sectors like eating and drinking places heightened the demand for both experienced and entry-level workers.

Local offices of the Employment Division are reporting great success in placing job applicants this summer, including the heavy influx of young workers in June. Although job prospects for youths 16 and over are the best in years, legal work restrictions make it difficult to place 14 and 15 year olds. The good job market for older youths reflects two key factors. First, the Oregon economy is "hot." Many industries are operating either at the highest levels ever, or at least since the late 1970s. And tourist-related businesses, which typically employ a large number of young entry-level workers, are enjoying one of the best seasons ever. State tourism officials report that a record-breaking 56,000 visitors stopped at welcome centers in May, a 50% increase from last year. Even most of the state's manufacturing industries are much healthier now because of an export boom and the high level of domestic capital spending needed to support it.

A second reason for this summer's better youth job prospects has to do with demographics. The youngest "baby boomers" are now in their mid-twenties and the oldest have already hyperventilated trying to blow out 40 candles. Due to a sharp drop in birth rates in the latter half of the 1960s and early 1970s, the "birth dearth" generation is now entering the labor force. In fact, the number of Oregon high school graduates each year has declined virtually nonstop since the early 1970s. At the present time, the number has temporarily increased, but the downward slide is projected to resume, reaching a low point in 1992. By 1993, the count will begin to climb again as the children of the baby boomers start to graduate from high school.

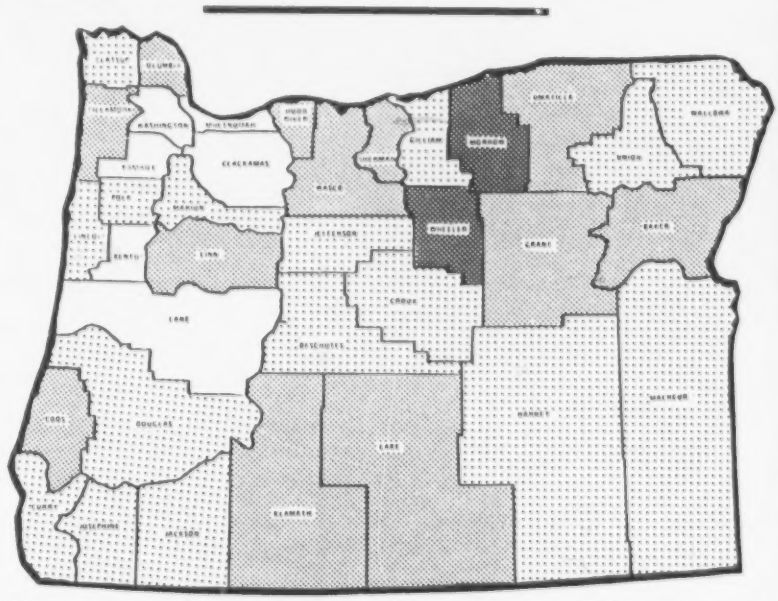
An additional factor that may tighten the labor supply, especially during the school season, is that many of these graduates realize that college or vocational training beyond high school is necessary if they want to be successful in today's rapidly changing, technologically oriented economy. Although many college students work while attending school, they are only available for part-time jobs that mesh with class schedules. As more and more employers discover that they can't attract enough entry-level workers at near-minimum wages, pay levels will gradually increase. It may take many more years of economic growth and inflation before Oregon McDonalds franchises are paying $6.00/hour plus benefits to start as they are in New England, but the direction of entry pay scales here is undoubtedly headed upward. To some extent, at least, this combination of strong economic growth plus fewer young entry-level workers available will render moot the current debate over raising the minimum wage. Of course, a big increase in net inmigration to Oregon from other states could help to alleviate any labor shortages, but at the present time this is not very likely, especially if our pay levels are relatively low compared with other states.

In any event, Oregon's economy is stronger now than at any time during the 1980s and the labor market is fairly tight. Labor shortages of both experienced and even entry-level workers are becoming more common. Employment Division local offices have made nearly 35,000 nonfarm job placements during the first six months of 1988, an increase of almost 13% over the same period a year ago. And the trend in total job orders received (see graph) reflects a very healthy economy. So despite this summer's rash of labor disputes and some recent increases in the unemployment rate and interest rates, the Oregon economy, at least for now, is on a roll! □

1987 UNEMPLOYMENT RATES BY AREA

AREA	1987 RANK	1987	1986	1986-87 CHANGE
United States		6.2	7.0	-0.8
OREGON		6.2	8.5	-2.3
Benton	1	3.7	5.1	-1.4
Portland PMSA 1/	2	5.3	7.1	-1.8
Eugene-Springfield MSA 2/	3	5.7	8.6	-2.9
Curry	4	6.2	9.5	-3.3
Salem MSA 3/	4	6.2	8.5	-2.3
Medford MSA 4/	5	6.4	8.7	-2.3
Clatsop	6	6.6	8.5	-1.9
Jefferson	6	6.6	9.2	-2.6
Lincoln	6	6.6	8.4	-1.8
Gilliam	7	6.7	6.7	0.0
Josephine	8	7.3	9.7	-2.4
Crook	9	7.5	10.1	-2.6
Douglas	10	7.6	9.9	-2.3
Malheur	11	7.7	10.3	-2.6
Deschutes	12	7.8	10.3	-2.5
Harney	13	7.9	11.1	-3.2
Wallowa	13	7.9	10.8	-2.9
Union	13	7.9	10.9	-3.0
Coos	14	8.2	10.6	-2.4
Columbia	14	8.2	10.7	-2.5
Tillamook	14	8.2	9.0	-0.8
Linn	15	8.3	12.0	-3.7
Klamath	15	8.3	12.1	-3.8
Lake	16	8.5	10.6	-2.1
Hood River	17	9.1	13.6	-4.5
Wasco-Sherman	18	9.4	14.3	-4.9
Umatilla	19	9.5	11.9	-2.4
Grant	20	9.6	12.7	-3.1
Baker	20	9.6	13.6	-4.0
Wheeler	21	10.3	11.3	-1.0
Morrow	22	13.8	13.1	0.7

1/ Clackamas, Multnomah, Washington & Yamhill Counties
2/ Lane County
3/ Marion and Polk Counties
4/ Jackson County



RESIDENT OREGON LABOR FORCE

	JUN.[1] 1988	MAY[2] 1988	CHANGE	%CHANGE	JUN.[5] 1987
CIVILIAN LABOR FORCE[3]	1,460,100	1,432,000	28,100	2.0	1,414,800
UNEMPLOYMENT	84,500	84,000	500	0.6	78,100
PERCENT OF LABOR FORCE	5.8	5.9	XXX	XXX	5.5
SEASONALLY ADJUSTED PERCENT	6.3	6.2	XXX	XXX	6.0
TOTAL EMPLOYMENT[4]	1,375,600	1,348,000	27,600	2.0	1,336,700

[1]Preliminary. [2]Revised. [3]Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. [4]Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. [5]Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	JUN.[1] 1988	MAY[2] 1988	JUN. 1987	CHANGE FROM MAY 1988	CHANGE FROM JUN. 1987
TOTAL[3]	1,148,300	1,134,300	1,109,200	14,000	39,100
WAGE & SALARY EMPLOYMENT INDEX[4]	120.7	120.6	116.6	XXX	XXX
TOTAL MANUFACTURING	211,100	208,000	208,200	3,100	2,900
DURABLE GOODS	152,700	153,500	150,300	-800	2,400
LUMBER & WOOD PRODUCTS	68,000	68,200	69,600	-200	-1,600
LOGGING & SAWMILLS	34,500	34,300	35,800	200	-1,300
VENEER & PLYWOOD	16,800	17,800	17,900	-1,000	-1,100
MILLWORK & STRUCTURAL WOOD	11,400	10,700	10,600	700	800
MOBILE HOMES	1,500	1,500	1,400	0	100
OTHER WOOD PRODUCTS	3,800	3,900	3,900	-100	-100
FURNITURE AND FIXTURES	2,600	2,600	2,500	0	100
STONE, CLAY, GLASS & CONCRETE	3,700	3,600	3,500	100	200
PRIMARY METALS	10,200	10,100	9,400	100	800
BLAST FURNACES, IRON & STEEL	6,000	6,000	5,600	0	400
NONFERROUS METALS	4,200	4,100	3,800	100	400
FABRICATED METALS	10,700	10,600	10,300	100	400
FABRICATED STRUCTURAL METALS	4,800	4,700	4,600	100	200
OTHER FABRICATED METALS	5,900	5,900	5,700	0	200
MACHINERY	15,900	15,900	15,500	0	400
ELECTRICAL EQUIPMENT & SUPPLIES	14,900	14,600	13,400	300	1,500
TRANSPORTATION EQUIPMENT	11,400	12,700	10,900	-1,300	500
INSTRUMENTS & RELATED PRODUCTS	11,800	11,900	12,100	-100	-300
MISCELLANEOUS MANUFACTURING	3,500	3,300	3,100	200	400
NONDURABLE GOODS	58,400	54,500	57,900	3,900	500
FOOD & KINDRED PRODUCTS	23,700	20,600	25,000	3,100	-1,300
CANNING & PRESERVING	12,600	9,800	14,000	2,800	-1,400
OTHER FOOD PRODUCTS	11,100	10,800	11,000	300	100
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	2,900	2,900	2,500	0	400
PAPER & ALLIED PRODUCTS	9,300	8,600	9,300	700	0
PRINTING & PUBLISHING	13,400	13,400	12,400	0	1,000
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	500	0	-100
RUBBER & PLASTIC PRODUCTS	4,300	4,100	3,800	200	500
LEATHER PRODUCTS	400	500	500	-100	-100
TOTAL NONMANUFACTURING	937,200	926,300	901,000	10,900	36,200
MINING & QUARRYING	1,400	1,300	1,500	100	-100
CONSTRUCTION	38,600	37,500	36,000	1,100	2,600
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,700	58,900	58,400	800	1,300
TRANSPORTATION	38,000	37,300	37,100	700	900
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	22,000	21,200	21,300	800	700
OTHER TRANSPORTATION	12,200	12,200	11,900	0	300
COMMUNICATIONS	12,800	12,700	12,400	100	400
UTILITIES	8,900	8,900	8,900	0	0
TRADE	292,700	287,700	277,600	5,000	15,100
WHOLESALE TRADE	73,300	72,400	68,900	900	4,400
DURABLE GOODS	43,900	43,000	40,500	900	3,400
NONDURABLE GOODS	29,400	29,400	28,400	0	1,000
RETAIL TRADE	219,400	215,300	208,700	4,100	10,700
GENERAL MERCHANDISE	27,500	26,800	26,300	700	1,200
FOOD STORES	36,600	35,700	33,700	900	2,900
AUTO DEALERS & SERVICE STATIONS	27,500	27,000	26,800	500	700
OTHER RETAIL TRADE	127,800	125,800	121,900	2,000	5,900
FINANCE, INSURANCE, & REAL ESTATE	74,200	73,400	72,500	800	1,700
BANKING & CREDIT AGENCIES	24,200	24,200	23,800	0	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,000	49,200	48,700	800	1,300
SERVICES	253,700	251,700	242,900	2,000	10,800
HOTELS & PERSONAL SERVICES	27,800	26,600	27,000	1,200	800
HEALTH SERVICES	78,200	77,200	74,700	1,000	3,500
OTHER SERVICES	147,700	147,900	141,200	-200	6,500
GOVERNMENT	216,900	215,800	212,100	1,100	4,800
FEDERAL GOVERNMENT	31,100	30,100	30,800	1,000	300
STATE GOVERNMENT	60,500	59,600	58,700	900	1,800
EDUCATION	25,500	25,500	24,900	0	600
OTHER STATE	35,000	34,100	33,800	900	1,200
LOCAL GOVERNMENT	125,300	126,100	122,600	-800	2,700
EDUCATION	78,900	80,000	77,100	-1,100	1,800
OTHER LOCAL	46,400	46,100	45,500	300	900
LABOR - MANAGEMENT DISPUTES	2,400	700	100	1,700	2,300

[1]Preliminary
[2]Revised
[3]Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
[4]Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

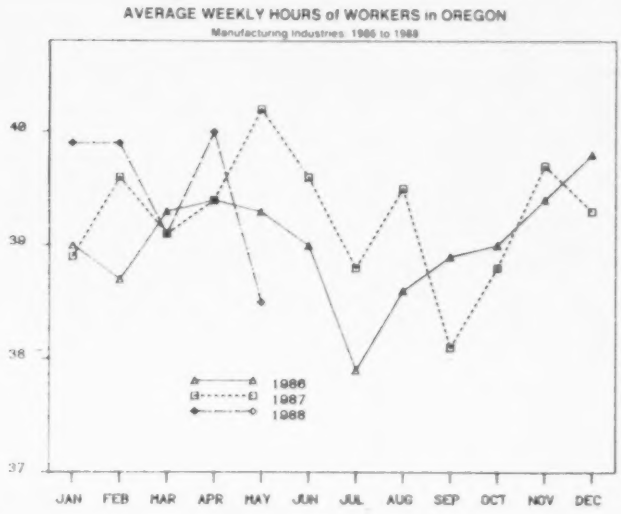
HOURS & EARNINGS - WHERE IS THE REAL TREND?

Graham Slater

The unthinkable happened. With six hours left to "deadline" the article was not written, nor was the inspiration received. The only hope was to stare at the statistics until some hidden trend became apparent. None did. So this is an honest assessment of hours & earnings over the past month or so.

In a perfect world, statistics in practice would behave exactly as they do in theory. In that world, every article in a publication such as this would fit coherently with every other, all leading to one indisputable economic conclusion.

Unfortunately, that rarely happens in the real world. Hours & earnings statistics in 1988 provide an excellent example of this real world problem. While employment trends have been generally strong and consistent, hours & earnings have been bouncing around more than ever.



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May[2] 1988	Apr.[3] 1988	May 1987	May[2] 1988	Apr.[3] 1988	May 1987	May[2] 1988	Apr.[3] 1988	May 1987
TOTAL MANUFACTURING[4]	$413.49	$430.00	$426.52	38.5	40.0	40.2	$10.74	$10.75	$10.61
Durable Goods	421.59	437.40	434.60	39.0	40.5	41.0	10.81	10.80	10.60
Lumber & Wood Products	414.79	445.40	443.27	38.3	40.9	41.7	10.83	10.89	10.63
Logging & Sawmills	438.42	474.30	471.86	37.6	40.4	41.5	11.66	11.74	11.37
Veneer & Plywood	417.30	457.73	434.24	39.0	42.5	42.2	10.70	10.77	10.29
Millwork & Structural	351.23	352.40	380.10	39.2	40.0	42.0	8.96	8.81	9.05
Mobile Homes	333.06	319.74	317.26	39.0	36.5	36.3	8.54	8.76	8.74
Other Wood Products	401.84	427.61	443.10	38.9	41.8	42.2	10.33	10.23	10.50
Furniture & Fixtures	348.13	263.27	295.26	40.2	30.9	33.4	8.66	8.52	8.84
Primary Metals	488.76	499.32	507.41	40.9	41.3	41.9	11.95	12.09	12.11
Fabricated Metals	385.23	390.74	380.95	38.6	40.2	40.1	9.98	9.72	9.50
Machinery (Ex Electrical)	441.34	454.90	436.40	39.3	40.4	40.0	11.23	11.26	10.91
Nondurable Goods	390.66	410.22	401.81	37.1	38.7	37.8	10.53	10.60	10.63
Food & Kindred Products	320.76	332.63	330.67	36.0	37.5	36.7	8.91	8.87	9.01
Canning & Preserving	255.13	270.85	268.93	34.2	36.9	34.7	7.46	7.34	7.75
Other Food Products	393.95	401.86	404.43	38.1	38.2	39.0	10.34	10.52	10.37
Textile Mill Products	238.38	247.73	235.06	34.8	36.7	35.4	6.85	6.75	6.64
Apparel	228.60	234.42	216.08	36.0	36.4	36.5	6.35	6.44	5.92
Paper & Allied Products	605.32	637.88	634.89	40.9	43.1	41.2	14.80	14.80	15.41
Printing & Publishing	420.55	433.50	419.75	34.9	36.8	36.5	12.05	11.78	11.50
Construction[4]	501.61	492.44	497.88	35.3	34.9	36.0	14.21	14.11	13.83
Communications & Utilities[5]	549.98	528.43	544.99	40.8	40.4	41.1	13.48	13.08	13.26
Trade[5]	295.27	305.55	295.83	33.9	35.0	34.6	8.71	8.73	8.55
Wholesale Trade	394.44	407.88	405.21	38.0	39.6	38.3	10.38	10.30	10.58
Retail Trade	244.22	252.65	242.72	31.8	32.6	32.8	7.68	7.75	7.40
Banking & Insurance[5]	328.70	343.77	320.05	36.2	38.8	38.7	9.08	8.86	8.27
State & Local Government	363.84	366.87	351.93						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

The main reason for the big swings appears to be the average weekly hours data. At the beginning of 1988, average weekly hours in manufacturing recorded 39.9 in both January and February, the best start to a year since 1966. Most durable goods manufacturers were working their employees overtime in order to keep pace with production goals. (This generally is considered a precursor to upcoming employment growth.) April also provided the best hours figure since the same month in 1966, this time reaching 40.0. Strangely, March and May provided vastly different trends, with hours worked falling to 39.1 and 38.5 respectively. The May figure is lower than that of one year ago. Looking at recent years' data, there appears to be no obvious seasonal reason why this drop should have occurred. But it was certainly widespread. Thirteen of the fifteen manufacturing industries for which data are published recorded declines in hours worked. There are no simple explanations for this downward movement. Perhaps an exhortation to watch this space closely is the best that can be done at this time.

Naturally, the drop in hours worked led to a substantial decrease in the average weekly earnings. The May level of $413.49 represented a $16.51 decline from April, a time of year when increases are expected.

The average workweek for construction workers in the first five months of 1988 surpasses the boom years of 1978 and 1979.

There is at least one definitive piece of information that can be gleaned from hours & earnings data so far this year. The average workweek for construction workers in these first five months surpasses the same time of year for the "boom" years of 1978 and 1979. Of course, employment levels have fallen dramatically since then, but the first five months of 1988 have provided the strongest start to a year's employment in seven years - the average employment level is 34,000 compared to 37,400 in 1981. Any resurgence in construction, which seems to be assured in 1988, will have important consequences for the entire economy. Construction workers in May earned more per hour and per week than any manufacturing workers except those in paper and allied products.

Watch the hours & earnings tables closely over the next couple of months. There may yet be a trend! □

NEW PER CAPITA INCOME COUNTY ESTIMATES FOR OREGON

Duane Ackerson

In April of this year, the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) released revised local area per capita personal income estimates for 1969-84 along with new estimates for 1985 and 1986.

In all three years of the most current data (1984 revised, and the initial estimates for 1985 and 1986), Sherman County marched ahead in first place, though per capita income in that county dipped in the middle year (1984: $17,159; 1985: $15,360; 1986: $18,009). Malheur County brought up the rear (1984: $9,461; 1985: $9,468) for two years, till the last place laurels descended on Josephine County (1986: $9,841). In terms of rank, Columbia County (1984: 22; 1986: 29) showed the greatest decline, and Coos County (1984: 30; 1986: 22) the most improvement.

It is worth noticing not only the per capita income changes in terms of dollar amount and relative ranking from year to year for the various years of data, but also the changes resulting from the recent revision of earlier years' data. Let's use the most recent of these revised years, 1984, as our example.

The April 1988 revision left Morrow County showing the greatest dollar drop from the old 1984 figures to the revised ones(-$1,124). Under this revision, Sherman County came out with enough extra per capita income ($3,900) to cover round-trip plane fare to Atlanta for each resident. If we look at rank rather than dollar increase, Deschutes improved its rank the most, receiving a promotion from 22 to 12. Curry County was demoted from number 9 to number 16. Only four counties (Baker, Coos, Crook, and Lincoln) retained the same rank. □

PER CAPITA COUNTY INCOME RANKING, 1984
ORIGINAL & REVISED

County	Original 1984	Rank	Revised 1984*	Rank	Chg. due to Rev	Rank Chg. due to Revision
BAKER	$9,333	34	$9,594	34	$261	0
BENTON	$10,826	12	$11,985	7	$1,159	5
CLACKAMAS	$12,924	6	$13,829	4	$905	2
CLATSOP	$10,783	13	$11,467	10	$684	3
COLUMBIA	$10,610	16	$10,816	22	206	-6
COOS	$9,983	30	$10,359	30	$376	0
CROOK	$10,525	18	$11,054	18	$529	0
CURRY	$11,149	9	$11,106	16	($43)	-7
DESCHUTES	$10,337	22	$11,141	12	$804	10
DOUGLAS	$10,360	21	$10,723	23	$363	-2
GILLIAM	$13,788	2	$14,383	3	$595	-1
GRANT	$9,477	33	$10,131	31	$654	2
HARNEY	$10,279	25	$10,440	29	$161	-4
HOOD RIVER	$11,198	8	$11,508	9	$310	-1
JACKSON	$10,468	20	$10,899	21	$431	-1
JEFFERSON	$10,284	24	$10,450	27	$166	-3
JOSEPHINE	$8,661	36	$9,488	35	$827	1
KLAMATH	$9,885	32	$10,446	28	$561	4
LAKE	$10,514	19	$11,113	15	$599	4
LANE	$10,565	17	$11,140	13	$575	4
LINCOLN	$10,720	14	$11,131	14	$411	0
LINN	$10,032	29	$10,025	33	($7)	-4
MALHEUR	$8,779	35	$9,461	36	$682	-1
MARION	$11,029	10	$11,164	11	$135	-1
MORROW	$13,689	3	$12,565	6	($1,124)	-3
MULTNOMAH	$13,334	4	$13,586	5	$252	-1
POLK	$9,954	31	$10,612	24	$658	7
SHERMAN	$13,259	5	$17,159	1	$3,900	4
TILLAMOOK	$10,132	26	$10,053	32	($79)	-6
UMATILLA	$10,064	28	$10,543	26	$479	2
UNION	$10,108	27	$10,935	20	$827	7
WALLOWA	$10,305	23	$10,565	25	$260	-2
WASCO	$11,733	7	$11,847	8	$114	-1
WASHINGTON	$13,938	1	$14,492	2	$554	-1
WHEELER	$10,963	11	$11,098	17	$135	-6
YAMHILL	$10,647	15	$10,977	19	$330	-4
STATE	$12,011		$12,069		$58	

* Reflects April 1988 BEA revision of 1969-86 income series

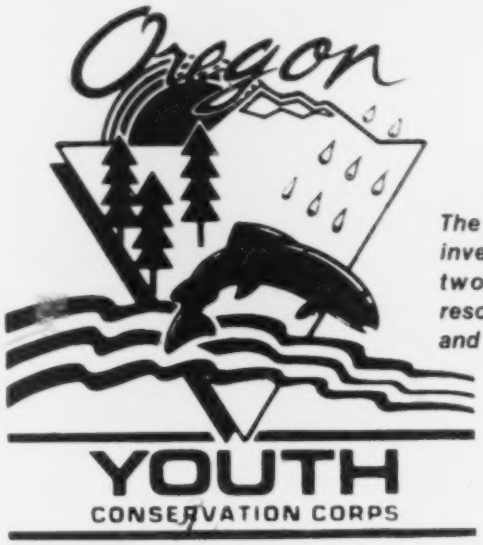
EMPLOYERS' CORNER -- A WINNING COMBINATION

Dorothy Monnier

On July 1, 1988, Governor Neil Goldschmidt announced the kick-off of the 1988 Oregon Youth Conservation Corps (OYCC) program. This is the second year for this winning public/private partnership that matches young people with jobs. These jobs need to be filled, and the public work projects upon completion enhance the beauty of Oregon. These youths are doing work for government agencies that are too financially strapped to complete the necessary conservation projects. The purpose of the OYCC program is to foster personal development of Oregon's youths (ages 16-23 years old), improve employment skills, and cultivate an awareness of natural resource management.

Last year, donations from private contributions produced $140,000, enough to employ 90 youths in 16 counties. This year's donations from private contributors produced $250,000, which is employing 150 youths in 28 counties. An additional 200 youths will be put to work weatherizing homes of low income people around the State.

Additional funds from firms in the wood and paper products industries are still being received for special fire-related projects in the State's 12 forest protection districts. Donors apparently consider their contributions insurance against a repeat of last year's fire season that claimed two lives, destroyed more than $40 million worth of resources on state-protected forests alone, and blackened 240,000 acres throughout the State.



The OYCC is an investment in Oregon's two most valuable resources---OUR YOUTH and OUR LAND.

The Oregon Youth Conservation Corps is a hallmark of the successful public/private partnership and is an integral part of the Governor's Children's Agenda. Most of all, the Corps provides Oregon youths an opportunity to gain work experience, earn a salary, and accomplish something meaningful for themselves and Oregon. The OYCC is an investment in Oregon's two most valuable resources --- OUR YOUTH and OUR LAND. It is an important step toward our goal to guarantee the children in every region of this state a greater chance for a decent life.

You can still be involved in this worthwhile program. Call Dorothy Monnier at 378-4446 for further details. □

JSEC SEMINAR

PREVENTING AND DEFENDING EMPLOYEE CLAIMS AND COMPLAINTS
Embarcadero, Newport, OR
August 9 . . . 9:00 AM to 3:00 PM
Call Ralph Evans or J. Bentley Bell, phone 265-8891

OREGON LABOR TRENDS

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